

Message Text

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C O N F I D E N T I A L SECTION 1 OF 2 BERLIN 6723

E.O. 11652: GDS

TAGS: PFOR, GE, US, CGEN

SUBJECT: DISCUSSION OF US/GDR RELATIONS WITH GDR FOREIGN MINISTRY
OFFICIALS

SUMMARY

IN DISCUSSIONS WITH EUR/CE OFFICER KORNBLUM ON SEPTEMBER 13, GDR FOREIGN MINISTRY AMERICAN SECTION CHIEF GEYER AND CULTURAL SECTION CHIEF BETTIN STRESSED GDR INTEREST IN IMPROVING RELATIONS WITH US. BOTH THOUGHT THAT PROGRESS COULD BE MADE IN SPECIFIC AREAS DESPITE LACK OF PROGRESS ON THE CONSULAR AGREEMENT. GEYER MADE A FURTHER PITCH FOR PERMISSION TO OPEN BUSINESS OFFICES IN NEW YORK. BETTIN SUGGESTED THAT INCREASED RECIPROCITY WOULD BE POSSIBLE IN BILATERAL CULTURAL RELATIONS. END SUMMARY

1. DR. GEYER OPENED CONVERSATION WITH KORNBLUM WITH LONG DISCUSSION OF GDR/US TRADE RELATIONS. HE SAID THE GDR HAD CONCLUDED FROM RECENT HOUSE AND SENATE COMMITTEE HEARINGS ON CLAIMS THAT THIS IMPORTANT ASPECT OF US/GDR RELATIONS WOULD NOT BE DEALT WITH BEFORE 1980 OR 1981 AT THE EARLIEST. TO THE GDR, THIS MEANT THAT REGARDLESS
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OF WHAT OCCURRED WITH THE US TRADE ACT, THE POSPECTS FOR

MFN AND EXIMBANK CREDITS WERE DIM FOR THE IMMEDIATE FUTURE. THE CLAIMS ISSUE WAS ESPECIALLY CRITICAL FOR EXIMBANK FINANCING, BECAUSE THE GDR UNDERSTOOD THAT EXIMBANK CREDITS WOULD NOT BE AVAILABLE UNTIL THE PROVISIONS OF THE JOHNSON ACT HAD BEEN MET AND THAT THE JOHNSON ACT COULD NOT BE SATISFIED UNTIL THE NEGOTIATION OF CLAIMS HAD BEEN INITIATED. THUS, THE PROSPECT OF A DELAY IN THE CLAIMS NEGOTIATIONS WAS NOT APPEALING TO THE GDR. THE EAST GERMAN SIDE HAD THOUGHT AT THE TIME DIPLOMATIC RELATIONS WERE ESTABLISHED IN 1974 THAT THE TWO SIDES WOULD MOVE DIRECTLY TO NEGOTIATIONS ON CLAIMS. THE GDR WOULD STILL PREFER TO PROCEED IN THIS FASHION AND WONDERED WHY THE US WAS NOW ADOPTING THE ALTERNATIVE COURSE OF STRETCHING THE PROCESS OUT FOR SEVERAL YEARS.

2. KORNBLUM SAID THE MAIN CONCERN FROM OUR POINT OF VIEW WAS TO PREPARE THE CLAIMS NEGOTIATIONS AS THOROUGHLY AS POSSIBLE IN ORDER TO ASSURE THAT THEY WOULD BE A SUCCESS. THE PROCESS WOULD TAKE SOME TIME, BUT WE FELT A WELL-PREPARED NEGOTIATION, WHICH WAS DELAYED, WOULD BE PREFERABLE TO TALKS WHICH WERE BEGUN IMMEDIATELY BUT WHICH WERE NOT SO WELL PREPARED. THIS WAS THE REASON A REPRESENTATIVE OF OUR LEGAL DIVISION HAD HELD TALKS IN BERLIN THIS SUMMER AND THIS WAS THE REASON WE HOPED TO GAIN ACCESS TO GDR RECORDS WHICH MIGHT HELP TO DOCUMENT INDIVIDUAL CLAIMS. DR. GEYER SAID HE HAD BEEN INFORMED OF THE US REQUEST FOR ACCESS TO RECORDS AND THAT HE MUST STATE HONESTLY THAT HE AND HIS COLLEAGUES HAD NOT UNDERSTOOD WHAT THE US HAD IN MIND. DR. GEYER ACCEPTED THE FACT THAT ACCESS TO DOCUMENTS WOULD MAKE IT EASIER TO VERIFY INDIVIDUAL CLAIMS. HE PROMISED TO EXAMINE OUR REQUEST AGAIN, BUT MADE NO COMMITMENT TO GIVE A POSITIVE REPLY.

3. RETURNING TO TRADE QUESTIONS, DR. GEYER ARGUED THAT WITHOUT MFN AND EXIMBANK FINANCING, DIRECT GDR ACCESS TO THE US MARKET WOULD BE LIMITED. THIS MEANT THAT IN ITS RELATIONS WITH US COMPANIES, THE GDR WOULD BE FORCED TO CONCENTRATE ON COOPERATION AGREEMENTS WHICH PROVIDED FOR PRODUCTION GEARED TO THIRD MARKETS. IN HIS VIEW,

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THIS SITUATION WAS NOT IN THE INTEREST OF EITHER THE US OR THE GDR, BUT HE STRESSED THAT THE GDR RECOGNIZED THAT IT WAS NOT REALISTIC TO EXPECT A MAJOR CHANGE IN THE SITUATION IN THE NEAR FUTURE. DESPITE LACK OF MOVEMENT IN TRADE AND DESPITE THE CONTINUING IMPASSE IN THE CONSULAR NEGOTIATIONS, THE GDR BELIEVED THAT IMPORTANT PROGRESS COULD BE MADE ON INDIVIDUAL ISSUES NOT AFFECTED BY THE TRADE OR CONSULAR QUESTIONS. IN THIS

CONNECTION, DR. GEYER EXPRESSED HIS SATISFACTION OVER THE US PROPOSAL TO OPEN FORMAL FISHERIES NEGOTIATIONS. HE SAID THE GDR VIEWED THE PROPOSAL AS AN IMPORTANT STEP FORWARD IN US/GDR BILATERAL RELATIONS. DR. GEYER WAS ALSO INTERESTED IN THE US REPLY TO THE GDR PROPOSAL FOR A LONG-TERM GRAIN SALES ARRANGEMENT, WHICH AMBASSADOR COOPER WAS TO PRESENT TO FOREIGN TRADE MINISTRY STATE SECRETARY BEIL LATER THE SAME AFTERNOON (BERLIN 6703).

4. CONCERNING THE CONSULAR NEGOTIATIONS, DR. GEYER SAID THE FOREIGN MINISTRY CONSULAR SECTION WAS STUDYING THE US VERSION OF THE COMPOSITE DRAFT AND THAT A GDR DRAFT WOULD BE AVAILABLE SOON. HE DID NOT REPEAT HIS VIEW (6417 BERLIN) THAT A FURTHER ROUND OF NEGOTIATIONS SHOULD AWAIT THE US ELECTIONS. HE SUGGESTED INSTEAD THAT THE TWO SIDES SHOULD STUDY THE RESPECTIVE POSITIONS AND DETERMINE WHEN FURTHER NEGOTIATIONS WOULD BE USEFUL. HOWEVER, HE DID NOT SEEM TO BELIEVE THAT A FURTHER ROUND WOULD BE POSSIBLE IN THE NEAR FUTURE.

5. TURNING TO THE NATIONALITY ISSUE, DR. GEYER REPEATED STANDARD GDR ARGUMENTS ABOUT THE NEED FOR A DEFINITION IN THE TEXT OF THE AGREEMENT. HE REFERRED TO THE BRITISH EXAMPLE AND SAID THE US SHOULD UNDERSTAND THE SPECIAL SITUATION OF THE GDR WHICH REQUIRED MORE SPECIFIC MENTION OF GDR NATIONALITY. KORNBLUM SAID THE US POSITION ON THE NATIONALITY ISSUE WAS WELL KNOWN. HE WISHED ONLY TO REPEAT THAT FOR THE US NEGOTIATION OF A CONSULAR AGREEMENT WAS MORE THAN A POLITICAL LEVER WHICH COULD BE USED AS WE DESIRED TO INFLUENCE GDR/US BILATERAL RELATIONS. THE INCREASED NUMBER OF ARRESTS OF AMERICAN CITIZENS ABROAD IN RECENT YEARS HAD SENSITIZED THE

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CONGRESS TO THE NEED TO PROVIDE A FIRM BASIS FOR CONSULAR PROTECTION OVERSEAS. THE STATE DEPARTMENT WAS UNDER CONSIDERABLE PRESSURE TO NEGOTIATE SATISFACTORY CONSULAR AGREEMENTS WITH ALL COUNTRIES WITH WHICH WE HAD DIPLOMATIC RELATIONS. INCLUSION OF A PARAGRAPH ON NATIONALITY WAS, AS WE HAD SAID MANY TIMES, UNSATISFACTORY FOR SUBSTANTIVE CONSULAR REASONS. IT WAS IMPORTANT FOR THE GDR TO RECOGNIZE THAT THIS WAS NOT A POINT ON WHICH WE COULD COMPROMISE FOR TACTICAL POLITICAL REASONS.

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6. DR. GEYER REPLIED THAT HE UNDERSTOOD THIS POINT, BUT SOME WAY MUST BE FOUND TO GET AROUND THE NATIONALITY QUESTION, WHICH WAS ALSO VERY IMPORTANT FOR THE GDR. KORNBLUM SAID HE DID NOT HAVE A SPECIFIC METHOD TO PROPOSE, BUT RECALLED THE TWO US REQUIREMENTS, I.E. THAT THE DEFINITION COULD NOT APPEAR IN THE TEXT OF THE AGREEMENT AND THAT THERE COULD BE NO EXCHANGE OF LETTERS OR NOTES IN WHICH THE DEFINITION WAS CONTAINED.

7. ASKED FOR HIS VIEWS ON OTHER AREAS WHERE RELATIONS COULD PROGRESS WITHOUT A CONSULAR AGREEMENT, DR. GEYER THOUGHT TWO STEPS COULD BE TAKEN RIGHT AWAY. IN THE FIELD OF TRADE, THE GDR UNDERSTOOD THAT IN HIS COMMENTS TO AMBASSADOR SIEBER LAST FEBRUARY, ASSISTANT SECRETARY HARTMAN HAD SAID THE OPENING OF BOTH A FORMAL TRADE OFFICE AND FTO'S WOULD HAVE TO AWAIT CONCLUSION OF THE CONSULAR NEGOTIATIONS. THE GDR NEEDED BOTH TYPES OF OFFICE IN NEW YORK, BUT ITS EFFORTS TO DEVELOP THE US MARKET WERE BEING HINDERED ESPECIALLY BY THE ABSENCE OF ONE OR MORE FTO'S. NOW THAT A DOW CHEMICAL OFFICE HAD BEEN OPENED IN EAST BERLIN, DR. GEYER WONDERED IF IT WOULD NOT BE APPROPRIATE TO ALLOW ESTABLISHMENT OF A

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GDR FTO IN NEW YORK, US PERMISSION TO ESTABLISH AN FTO WOULD BE A CONCRETE STEP FORWARD WHICH WOULD NOT BE A MAJOR DEPARTURE FROM THE POSITION STATED BY ASSISTANT SECRETARY HARTMAN.

8. CONCERNING CULTURAL RELATIONS, DR. GEYER SAID THE GDR THOUGHT THIS AREA OFFERED CONSIDERABLE OPPORTUNITY FOR DEVELOPMENT OF RELATIONS WITHIN THE FRAMEWORK PROVIDED BY THE HELSINKI DOCUMENT. HE SAID THERE WERE POSSIBILITIES FOR EXPANSION OF US CULTURAL PRESENTATIONS IN THE GDR AND CITED THE POSSIBILITY OF A FILM RETROSPECTIVE IN RETURN FOR THE ONE SPONSORED IN NEW YORK ON 1975 BY THE MUSEUM OF MODERN ART.

9. GDR VIEWS ON BILATERAL CULTURAL RELATIONS WERE PRESENTED IN MORE DETAIL AT A LATER MEETING WITH FOREIGN MINISTRY CULTURAL SECTION CHIEF BETTIN. DR. BETTIN REPEATED THE VIEW THAT CULTURE WAS A FIELD WHERE TIES COULD BE DEVELOPED DESPITE THE IMPASSE OVER THE CONSULAR NEGOTIATIONS. HE SAID CULTURAL RELATIONS WOULD HAVE TO BE DEVELOPED ON THE BASIS OF THE HELSINKI DOCUMENT, AND IN PARTICULAR ON THE BASIS OF RESPECT FOR SOVEREIGNTY AND NON-INTERFERENCE IN INTERNAL AFFAIRS. HOWEVER, THE HELSINKI DECISIONS PROVIDED CONSIDERABLE ROOM FOR EXPANSION OF CULTURAL TIES AND DR. BETTIN HOPED PROGRESS COULD BE MADE BETWEEN THE US AND THE GDR.

10. DR. BETTIN ADDED THAT THE GDR BELIEVED THE BEST WAY TO PROCEED WITH BILATERAL CULTURAL RELATIONS WOULD BE TO CONCLUDE A FORMAL CULTURAL AGREEMENT. NEGOTIATION OF SUCH AN AGREEMENT WOULD ALLOW THE TWO SIDES TO ESTABLISH A BROAD FRAMEWORK FOR CULTURAL RELATIONS WHICH WOULD HAVE BEEN CLEARED AT THE POLITICAL LEVEL. IN THE ABSENCE OF AN AGREEMENT, EACH PROJECT WOULD HAVE TO BE CLEARED BY THE POLITICAL LEVEL INDIVIDUALLY AND THIS WOULD SLOW PROGRESS CONSIDERABLY. HOWEVER, THE GDR UNDERSTOOD THAT THE OVERALL STATE OF RELATIONS DID NOT MAKE IT POSSIBLE TO NEGOTIATE A FORMAL AGREEMENT AT THIS TIME. FOR THE TIME BEING, THE GDR WAS WILLING TO PROCEED ON A CASE-BY-CASE BASIS.

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11. ASKED FOR HIS VIEWS ON AREAS WHERE CULTURAL RELATIONS COULD BE DEVELOPED, DR. BETTIN THOUGHT PROGRESS WOULD BE POSSIBLE ACROSS THE BOARD. AS SPECIFIC EXAMPLES, HE MENTIONED THE US FILM RETROSPECTIVE, WHERE HE THOUGHT A SPECIFIC PROPOSAL WOULD BE FORTHCOMING FROM THE GDR SOON; EXCHANGES IN THE FIELD OF EDUCATION; COOPERATION

AGREEMENTS BETWEEN US AND GDR UNIVERSITIES; LITERATURE, ESPECIALLY EXCHANGES OF WORKING WRITERS; MUSIC, INCLUDING PARTICIPATION OF US ORCHESTRAS AND SOLOISTS IN GDR MUSIC FESTIVALS; EXCHANGES OF THEATER GROUPS AND EXCHANGES OF ART EXHIBITIONS. IN THE LATTER FIELD, BETTIN SAID THE GDR HAD RECEIVED AGREEMENT FROM JOHN CARTER BROWN OF THE NATIONAL GALLERY FOR AN EXHIBITION TO OPEN THE GALLERY'S NEW WING IN JUNE, 1977 (BERLIN 6328). HE CONFIRMED THAT PLANS WERE ALSO MOVING FORWARD FOR GDR EXHIBITIONS AT THE BROOKLYN AND METROPOLITAN MUSEUMS IN 1977. IN RESPONSE TO A QUESTION, HE SAID THE GDR WOULD BE WILLING TO CONSIDER RETURN PRESENTATIONS BY THE US MUSEUMS. HE DID NOT RESPOND TO A QUESTION ABOUT THE STATE OF DISCUSSIONS CONCERNING RETURN EXHIBITIONS.

12. COMMENT: BOTH GEYER AND BETTIN WERE ESPECIALLY CORDIAL IN THE DISCUSSIONS. EACH STRESSED THE GDR'S INTEREST IN MOVING FORWARD DESPITE THE IMPASSE OVER THE CONSULAR NEGOTIATIONS AND ATTEMPTED TO PRESENT AS REASONABLE A PICTURE OF THE GDR POSITIONS AS POSSIBLE. DR. GEYER SEEMED ESPECIALLY ANXIOUS TO STIMULATE MOVEMENT IN THE TRADE FIELD. HE REPEATED SEVERAL TIMES HOW IMPORTANT MOVEMENT IN THIS AREA WOULD BE FOR THE GDR. WE INTERPRET DR. GEYER'S COMMENTS ON US CLAIMS TO BE SOMEWHAT UNINFORMED BUT THAT IT IS THE GDR EXPECTATION THAT THE INITIATION OF CLAIMS NEGOTIATIONS WILL PROVIDE THE OPPORTUNITY FOR AT LEAST THE BEGINNING OF A PUSH FOR MFN STATUS AND EXIMBANK CREDITS. COOPER

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